

P 040830Z JUN 08
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC PRIORITY 4769
INFO SECDEF WASHDC PRIORITY
THE WHITE HOUSE WASHINGTON DC PRIORITY
USDOJ WASHDC PRIORITY
USDOT WASHDC PRIORITY
USDOC WASHDC PRIORITY
CIA WASHDC PRIORITY
JOINT STAFF WASHDC//J5//
HQ USPACOM HONOLULU HI
COMPACFLT PEARL HARBOR HI
HQ PACAF HICKAM AFB HI//CC/PA//
USFJ //J5/JO21//
COMNAVFORJAPAN YOKOSUKA JA
CTF 72
AMCONSUL NAHA
AMCONSUL FUKUOKA
AMCONSUL OSAKA KOBE
AMCONSUL NAGOYA
AMCONSUL SAPPORO
AMEMBASSY BEIJING
AMEMBASSY SEOUL
USMISSION USUN NEW YORK

UNCLAS TOKYO 001526

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 06/04/08

INDEX:

(1) DPJ coordinating with three other opposition parties on censure motion against prime minister, depending on ruling bloc's response to bill scrapping the medical system for elderly (Sankei)

(2) "We have various pieces of information," says Chief Cabinet Secretary Machimura concerning Chinese Navy's test-firing of SLBM (Sankei)

(3) Fiscal Affairs Council underscores importance of fiscal reconstruction: Fiscal System Council calls for discussion on consumption tax in fall (Tokyo Shimbun)

(4) Japan's additional food aid reflects major importer's sense of alarm about global food shortage (Tokyo Shimbun)

(5) Fukuda's four-nation tour designed to get acquainted with European leaders to make G8 Summit a success (Yomiuri)

(6) DPJ may field Kazumi Ota for Tokyo No. 12 district (Sankei)

(7) Ruling coalition to approve use of weapons in protective action under permanent legislation (Tokyo Shimbun)

(8) JICA, MOFA considering introducing qualification system for "international collaborators" (Tokyo Shimbun)

(9) Is a Cabinet shuffle golden remedy or a poison pill? (Asahi)

(10) Reporters' monthly report: Prime Minister Fukuda often meets with ruling coalition members (Tokyo Shimbun)

ARTICLES:

(1) DPJ coordinating with three other opposition parties on censure motion against prime minister, depending on ruling bloc's response to bill scrapping the medical system for elderly

SANKEI ONLINE NEWS (Full)
June 4, 2008, 12:45

The major opposition Democratic Party of Japan's (DPJ) President Ichiro Ozawa and other leaders this morning held an executives' meeting at party headquarters and confirmed a plan to get the four opposition party-sponsored bill intended for scrapping the controversial medical system for the elderly through the Upper House on June 6 and then demand that the ruling bloc adopt the bill in the Lower House by the end of the current session of the Diet, which is to close on June 15. They also decided to hold a meeting of secretaries general from the four opposition parties possibly by the end of the day to discuss whether to decide to submit a censure motion against Prime Minister Yasuo Fukuda if the ruling bloc rejects the opposition bloc's plan, and push coordination of views among the opposition parties.

After the executives' meeting, the DPJ's Diet Affairs Committee Chair Kenji Yamaoka told reporters in a firm tone: "If (the government and the ruling parties) decide to carry over the bill aimed at scrapping the current medical system for the elderly to the next Diet session and refuses to scrap that system, is it all right for us to allow them to do so? Scrapping that system is the highest

priority task for the public."

(2) "We have various pieces of information," says Chief Cabinet Secretary Machimura concerning Chinese Navy's test-firing of SLBM

Sankei on-line
June 4, 2008, 11:57

Referring to the strong possibility of the Chinese Navy having test-fired in the Yellow Sea in late May a submarine-launched ballistic missile (SLBM) slated to be fitted to its state-of-the-art submarine, Chief Cabinet Secretary Nobutaka Machimura during a press briefing on the morning of June 4 stated, "The government is always trying to collect and analyze information on such a military movement. It has various pieces of information." However, he stopped short of making a categorical statement, simply saying, "I would like to refrain from making any comment on individual pieces of information, judging from the nature of the matter."

(3) Fiscal Affairs Council underscores importance of fiscal reconstruction: Fiscal System Council calls for discussion on consumption tax in fall

TOKYO SHIMBUN (Page 1) (Full)
June 4, 2008

The Fiscal System Council reporting to the finance minister yesterday submitted a letter of proposals concerning the compilation of the fiscal 2009 budget to Finance Minister Fukushima Nukaga. The letter stresses the importance of fiscal reconstruction, noting that it is necessary to firmly maintain the basic policy guidelines on economic and fiscal management and structural reforms for the fiscal 2006 national budget, which stipulates that reform should be promoted with strengthened growth potential and fiscal soundness as the two wheels of a cart.

On the expenditure front, the letter points out that spending reform in such areas as social security and local finances should be strictly enforced. Regarding the revenue front, it notes that it is necessary to secure stable fiscal resources instead of depending on temporary fiscal resources. To that end, the letter indicates the stand that it is necessary to realize at an early date drastic reform of the tax code, including the consumption tax, instead of depending on so-called hidden slush funds, such as reserve funds in special accounts.

Chairman Taizo Nishimura during a press conference after the meeting said that by revenue reform at an early date, the panel meant reform should be carried out during the next budget deliberations. He thus

indicated the stand that discussion of reform of the consumption tax should be held this fall.

Regarding individual areas, the report proposes a revision of the current system of state contribution to pension insurance, including a possible abolition. Concerning nursing-care insurance, too, it calls on the government to make efforts to hold down spending, citing that high growth in payouts is continuing.

On the education front, the report points out that a goal should be set in terms of results to be produced, instead of input, such as a budgetary amount.

The panel's proposal regarding official development assistance (ODA) is that the budgetary amount should be constrained, while project volume being secured through such efforts as to cut costs.

Concerning local finances, the panel is of the opinion that a local tax code centered on taxes causing less imbalances among local municipalities should be adopted, noting that it would be possible to create a system that can improve local taxes and correct income disparity as sought by local governments, if local tax rates are increased and revenues from such taxes are distributed, based on objective standards, such as populations, as is the case of the local consumption tax or a local transfer tax.

(4) Japan's additional food aid reflects major importer's sense of alarm about global food shortage

TOKYO SHIMBUN (Page 2) (Full)
June 4, 2008

In a speech Prime Minister Yasuo Fukuda delivered on June 3 at a United Nations' food summit, he revealed Japan's plan to offer additional emergency aid to developing countries. This policy decision also reflects Japan's sense of alarm toward the recent global food shortage from the standpoint of being a major food importer.

In a study meeting held at the Prime Minister's Office ahead of the food summit, Fukuda instructed the participants to give priority to what Japan, as a food importer, can do" in drafting the prime minister's speech for the food summit.

Japan has imported about 770,000 tons of rice annually under the minimum access requirement. The volume of imported rice in stock (as of the end of last October) was 1.52 million tons. The government plans to release such rice to developing countries facing difficulties in procuring rice on international markets due to soaring prices. The imported rice should be consumed in the nation in principle, but the government has decided to ship such rice to the Philippines from a humanitarian point of view and as an emergency measure to curb skyrocketing international prices.

A senior Foreign Ministry official said that the food issue "complicatedly involves a variety of factors. This is not such a simple question as industrialized countries just extending assistance to developing countries."

In actuality, the steep rise in grain prices has pushed up food prices. In the speech he delivered at the food summit, Fukuda referred to the need for Japan to raise its food self-sufficiency, but it is also true that Japan is being pressed to improve its structure of depending on imports for most of its non-rice grain. Recently, public attention is being focused on the "food mileage" index to gauge the amount of carbon dioxide (CO2) discharged in the process of transporting foodstuffs. The amount is calculated by multiplying the volume of transported goods by the transport distance. Japan's total amount is about three times larger than that of the U.S. and about five times more than those of Britain and Germany.

Japan has given off such a large volume of CO2 in the air in order to supply food to its people, bringing about climate change and a food crisis to the poorest nations. Critics point out that Japan,

whose food self-sufficiency has dropped to below 40 PERCENT , has also exacerbated global warming.

Such a severe situation surrounding Japan is represented in the following words used by the prime minister in his speech: "I am feeling a sense of urgency."

(5) Fukuda's four-nation tour designed to get acquainted with European leaders to make G8 Summit a success

YOMIURI (Page 3) (Excerpts)
June 4, 2008

Prime Minister Yasuo Fukuda, now on a European tour, has held talks in succession with leaders of Germany, Britain, France and Italy. Fukuda, who will chair this year's Group of Eight Lake Toya Summit which is only one month away, has now met with all the leaders of the G8 member countries except Canada. Although Fukuda has paved the way for the G8 Summit, there still remain huge gaps among the G8 countries over climate change, especially their measures to cut greenhouse gas emissions. There are a plethora of tasks that must be addressed.

On the morning of June 3, or the evening of June 3, Japan time, Fukuda delivered a speech at the UN Food Summit in Rome, concluding it with his enthusiasm for the G8 Summit.

Fukuda initially planned to make a European tour during the Golden Week holiday period from late April through early May. But it was called off as a result of giving priority to measures for the divided Diet. Since becoming prime minister last September, Fukuda had meetings only with the U.S. and Russian presidents of the G8 leaders. He was keenly aware of the need to have get-acquainted sessions with other leaders ahead of the G8 Summit.

It was not easy to set up events for Fukuda's long-awaited European tour. A Foreign Ministry source said: "There was no other option but to hold a Fukuda-Merkel meeting on Sunday. Berlin was slow to give a nod to it, saying, 'We will welcome Prime Minister Fukuda but not on Sunday.'" Apparently in consideration of such circumstances, Fukuda expressed his gratitude in a press conference after his meeting with Merkel on June 1, saying: "German people work hard even on Sundays. I am grateful for their consideration."

In his talks with G8 counterparts, Fukuda clearly expressed his enthusiasm as the chair of this year's summit.

Touching on climate change in the joint press conference with Merkel, Fukuda said: "Japan would like to clarify its policy before the Summit, including its thinking about setting midterm targets (greenhouse gas emission reduction targets between 2020 and 2030)."

Many industrial circles are reluctant to set midterm targets at an early time.

Among the G8, the European Union, which is calling for a 20 PERCENT cut, is at odds with the United States, which is opposed to setting compulsory midterm targets for reducing emissions. A senior Economy, Trade and Industry Ministry official took this view: "If Japan presents a midterm target, that would make it difficult to handle the matter as the coordinator."

Meanwhile, most of European leaders did not react positively to Japan's sector-by-sector approach. British Prime Minister Gordon Brown on June 2 urged Japan to join the emissions trading scheme. In response, Prime Minister Fukuda simply indicated that Japan would consider it. Although Fukuda seems to hold a positive view about emissions trading, he apparently gave heed to such industries as iron and steel and power in Japan. Difficulty ironing out views in Japan and abroad has now become apparent ahead of the G8 Summit.

Under the divided Diet in which the opposition parties have control of the Upper House, the prime minister is facing difficulties in steering Diet businesses. Coming under public criticism over the reinstated provisional gasoline tax rate and the healthcare system for the elderly, he is struggling with sagging support ratings as well.

Given the situation, the prime minister is desperate to boost his administration on the diplomatic front by making the G8 Summit a

success following the fourth Tokyo International Conference on African Development (TICAD IV) held in late May. Such a sense of crisis was evident from his jam-packed European tour.

(6) DPJ may field Kazumi Ota for Tokyo No. 12 district

SANKEI (Page 5) (Full)
June 4, 2008

It was once rumored that Ichiro Ozawa, president of the major opposition Democratic Party of Japan, would run for the Tokyo No. 12 district in the next Lower House election, leaving his old constituency. This time around, a plan has cropped up in the DPJ to field Kazumi Ota, who won the Lower House by-election for Chiba Prefecture's No. 7 district in 2006, for the Tokyo No. 12 constituency. A DPJ executive said yesterday, "It has not been decided yet. (The Tokyo No. 12 district) is left to President Ozawa. Such (fielding Ota) is possible."

The Tokyo No. 12 district is currently represented by Akihiro Ota, head of the New Komeito. If the plan materializes, 28-year-old Kazumi Ota, the youngest among the Lower House members along with Taizo Sugimura of the Liberal Democratic Party, would vie for the seat with the veteran New Komeito head.

The DPJ intends to confuse New Komeito supporters by fielding a person with the same family name (as New Komeito's Ota), according to a person connected with the DPJ. It can said to be another DPJ tactic to apply pressure on the New Komeito, following the rumor about Ozawa's switching constituencies.

In the process of coordinating candidates last December, the DPJ officially decided to field Akira Uchiyama of the Southern Kanto proportional representation bloc for the Chiba No. 7 district. Ozawa commented about Ota: "She is going to play a major role in a new constituency."

(7) Ruling coalition to approve use of weapons in protective action under permanent legislation

TOKYO SHIMBUN (Page 2) (Full)
June 4, 2008

In discussing permanent legislation to enable Self-Defense Force

(SDF) personnel to be dispatched overseas as needed, the ruling coalition decided yesterday to allow SDF troops to take some protective action involving the use of weapons in self-defense if they are attacked by criminal groups or terrorists. This measure will be included in a draft plan to be released by the ruling camp's project team on permanent law by the end of this month.

The items subject to SDF guarding include personnel from other countries and United Nations members participating in peacekeeping operations, Japanese living overseas, and goods and facilities designated by the UN.

SDF overseas missions are currently limited to (1) ceasefire monitoring; (2) humanitarian aid; and (3) logistic support. Guarding, security activities, and ship inspections are not included in the list.

(8) JICA, MOFA considering introducing qualification system for "international collaborators"

TOKYO SHIMBUN (Page 3) (Full)
June 4, 2008

The Japan International Cooperation Agency (JICA) and the Ministry of Foreign Affairs (MOFA) are considering establishing a qualification system for "international collaborators" to give credentials to those who took part in, for instance, the Japan Overseas Cooperation Volunteers (JOCV). They plan to back up those participants by establishing a qualification system so that they will be given a qualification for their participation in the JOCV in developing countries with the aim of their receiving a favorable evaluation in the job market or at their workplaces.

Under the qualification system, a certification examination will be conducted to see whether applicants have a certain level of linguistic skills, as well as technical skills in the area of cooperation. Whether activities in nongovernmental organizations will be viewed as one of the activities required for certification will also be discussed. A MOFA official noted in this context: "The idea has yet to take shape. We need to flesh it out."

JICA will make a fresh start as a new organization to implement official development assistance by integrating the Japan Bank for International Cooperation's (JBIC) yen-loan sector and a part of MOFA's grant aid projects. Establishing a qualification for international collaborators is likely to help strengthen the functions of JICA.

(9) Is a Cabinet shuffle golden remedy or a poison pill?

ASAHI (Page 4) (Full)
June 3, 2008

With the government and ruling parties started looking into convening an extraordinary session of the Diet in late August, the view has become stronger that in order to seriously tackle the issues facing his administration, Prime Minister Yasuo Fukuda will likely shuffle his cabinet soon after the end of the Group of Eight summit in July in Hokkaido. However, since there have been cases in which a new cabinet was hit by scandals, a shuffle could turn out to be a double-edged sword.

Growing calls for July cabinet shuffle to boost the administration's popularity

One of the reasons for convening the extra session earlier than usual is to secure sufficient time so that the House of Representatives will be able to hold a revote on a bill amending the refueling mission special measures law (after the House of Councillors rejects the bill). Given an agreement between the ruling camp and the main opposition Democratic Party of Japan (DPJ) on a revised bill to reform the public servant system, the DPJ may cooperate on such bills as the one to establish a Consumer Agency, which has the strong policy imprint of the prime minister, according to a senior Liberal Democratic Party (LDP) Diet Affairs Committee member. To that end, the government and ruling coalition want to secure sufficient time for deliberations.

In order to thoroughly deliberate bills with a strong Fukuda-policy image, it is better for the prime minister to pick his own cabinet members. This is one reason for the growing number of calls for a cabinet shuffle before the opening of the extra Diet session. Of the current cabinet, only two -- Kisaburo Tokai, minister of education, culture, sports, and science and technology, and Shigeru Ishiba, defense minister -- were picked by Fukuda himself. A shuffle of the cabinet therefore can be seen as a trump card to boost the popularity of the Fukuda administration, which has suffered from declining support rates in the polls.

The prevailing view is that the cabinet should be shuffled in the second half of July, according to a former cabinet member. This means that Fukuda would carry out the shuffle after he wraps up the G8 Summit.

Former LDP Secretary General Taku Yamasaki stressed:

"A cabinet shuffle should be carried out soon after the G8 summit. I cannot call the present cabinet the Fukuda cabinet. In order to implement his own policies, Mr. Fukuda should form his own cabinet."

One of the LDP executive members pointed out: "A cabinet shakeup is a less expensive measure to boost cabinet support rates." A senior New Komeito member expressed expectations, saying: "I want new cabinet ministers to compile budgetary requests for next fiscal year in late August and I want them to boost the government's popularity."

If a new cabinet comes into being by late July, the new cabinet ministers will be able to attend the extra session after studying their duties for about one month. It is good for them to be involved

in budgetary compilation from the process of budgetary requests.

In the ruling camp, however, there is a cautious view toward an early cabinet shuffle, as well. Another former cabinet member has called for convening the extra session in mid-September, noting: "Because the opposition camp opposes the refueling mission bill, three days are enough for deliberations on the legislation in the Lower House." This is because a longer term of a session would be disadvantageous for Fukuda because he would be grilled many times in a prolonged Diet session. So, a cabinet shuffle will likely be carried out in September.

In September, the DPJ is expected to hold its presidential election.

Another view is that there is no need for hurriedly convening the extra Diet session because there is a possibility that if the LDP holds the party leadership race while the Diet is in session, a political cease-fire will occur.

With expectation of boosting Fukuda government's popularity, calls for July cabinet shuffle growing

A cabinet shuffle not only boosts the cohesion of the administration but also carries risks leading to discovery of scandals involving new cabinet members. In the Abe cabinet, a series of scandals involving new cabinet members were discovered immediately after the cabinet was shuffled and they put an end to the Abe administration. If Fukuda makes a mistake in picking new ministers, the Fukuda cabinet may fall into the same rut.

In an attempt to boost the approval ratings for the Fukuda cabinet, Secretary General Bunmei Ibuki said: "The prime minister should appoint female lawmakers or private-sector persons as new cabinet members." Since former prime ministers Junichiro Koizumi and Shinzo Abe picked their cabinet members on their own style called "single-rod-fishing," there are many mid-level LDP lawmakers waiting for cabinet posts. If they are not given minister posts, dissatisfaction could only grow in the party.

If Fukuda fails in a cabinet shuffle, he will lose everything. A senior LDP member quipped: "The prime minister should be thoughtful." However, Prime Minister Fukuda himself has not mentioned anything about a cabinet shuffle.

(10) Reporters' monthly report: Prime Minister Fukuda often meets with ruling coalition members

TOKYO SHIMBUN (Page 2) (Full)
June 1, 2008

With an eye on future political realignment, ruling and opposition Diet members recently have been often holding meetings at nights. Prime Minister Yasuo Fukuda, too, resumed meeting with senior members of the ruling parties soon after turning the corner in converting tax revenues currently earmarked for road maintenance and construction into general spen